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No. 95-524

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1995

VORNADO AIR CIRCULATION SYSTEMS,INC.,
Petitioner,
v.
DURACRAFT CORPORATION,
Respondent.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE TENTH CIRCUIT

REPLY TO BRIEF IN OPPOSITION

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REPLY TO BRIEF IN OPPOSITION

Petitioner, Vornado Air Circulation Systems, Inc. ("Vornado"), submits this reply to the brief of Duracraft Corporation ("Duracraft") in opposition to the petition for writ of certiorari. Petitioner seeks to have this Court harmonize the relationship between the federal patent laws and the federal trademark laws and to rectify profound differences between the circuits as to whether a feature of a useful article appearing in a patent is eligible for trade dress protection.

1. This Civil Action Is Not A Patent Case

This Court should establish, once and for all, the basic principle that the patent laws and unfair competition laws (including the law of trademarks) must be construed, if possible, in harmony with each other and not inconsistently construed by different circuits. The Tenth Circuit expressly acknowledged a split. (Appendix A, 33a).

By Duracraft's deliberate actions in copying Vornado's source identifier, the District Court found that there is actual confusion (Appendix B, 91a-92a) as well as likelihood of confusion (Appendix B, 94a-95a), without refutation by the Tenth Circuit or Duracraft. Yet, this clear violation of trademark law has been disregarded in a process which elevates patent law over trademark law rather than harmonizing the two.

Duracraft argues (at 24) that Vornado attempts to broaden a patent monopoly through misuse of federal trademark law. This statement is obviously in error since Vornado has no patent monopoly on its grill structure. Vornado has a utility patent claiming a ducted fan with multiple elements, one of which is the spiral grill. The grill itself was never patented, the general idea being in the public domain. What is self-evident from the record is the following:

- There is no charge of patent infringement.
- There is no claim or patent on the grill per se.
- Duracraft did not copy an expired patent.

The Tenth Circuit stated that the grill was a "significant inventive element of Vornado's patented fans". The fact that one of the reissue claims of Vornado's patent does not even claim the spiral configuration of the grill shows that this statement by the Tenth Circuit is without any

basis. Certainly, the District Court made no findings on that issue since the concept of denying protection to a "significant inventive element" of a patented object was a newly created judicial concept.

2. The Error Of The Tenth Circuit Has Been Compounded By Post-Vornado Decisions In Thomas & Betts And Elmer

Subsequent decisions of the Seventh Circuit and Federal Circuit (applying the law of the Eleventh Circuit) have vastly undercut the law of unfair competition under Section 43(a) for trade dress protection through extension of the Tenth Circuit *Vornado* decision. In *Thomas & Betts v. Panduit Corp.*, 65 F.3d 654, 660 (7th Cir. 1995), the Seventh Circuit argued that the focus of the Tenth Circuit on what is or is not claimed was fundamentally "misguided". As the Seventh Circuit correctly points out, the claims of the patent define what the patentee receives in terms of the right to exclude competition, but the public receives the "entire invention", which is "primarily" disclosed in the patent specification. Thus, the Seventh Circuit suggested that anything disclosed in the specification of a patent should bar trade dress rights under the Lanham Act.

In *Elmer v. ICC Fabricating, Inc.*, 67 F.3d 1571 (Fed. Cir. 1995), the Court found that enforcing trade dress rights which were "essentially coextensive with, and in fact broader than" the claims of Elmer's patent would frustrate the right of competitors to practice the patented invention after expiration.

The next logical extension of these cases is to find that no trade dress protection exists in configurations since any configuration, not covered by the claims of a patent, is

free to be copied **under the patent laws**. Why should the fact that an element is disclosed, or not disclosed, in the specification or claim of a patent have any bearing on its ability to achieve trade dress protection?

Through a literal reading of *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989), one could conclude that trade dress protection should be excluded in all instances. For instance, this Court said in 489 U.S. at 156:

> At the same time, we have consistently reiterated the teaching of Sears and Compco that ideas once placed before the public without the protection of a valid patent are subject to appropriation without significant restraint.

While the decision is in absolutist terms, the recognition by this Court of trade dress protection indicates an implicit recognition of the balance and harmonization of federal remedies.

3. Federal Right To Copy And Use Is Not Unfettered

Citing *Bonito Boats,* Duracraft urges (at 16) that there is an unfettered federal right "to copy and to use" -- but to copy and use what? *Bonito Boats* is silent on that issue, but the logical object of these infinitives is the **claimed invention**. The Vornado spiral grill is not the claimed invention; it is but one element of a multi-element claim. The District Court's finding (Appendix B, 77a) that Duracraft had failed to meet its burden of showing that the spiral configuration of the Vornado grill was functional has

not been challenged before the Tenth Circuit.

This Court in *Compco Corp v. Day-Brite Lighting*, 376 U.S. 234, 238 (1964), said that a competitor can copy at will if the design is "not entitled to a design patent or other federal statutory protection." This Court in *Bonito* again acknowledged that Section 43(a) of the Lanham Act creates a federal remedy for preventing the use of a false designation of origin and that the application of *Sears* and *Compco* to the nonfunctional aspects of a product must take into account competing federal policies. 489 U.S. at 166.

If the "federal right to copy" takes precedence over the federal law of unfair competition, does it also take precedence over copyright protection?* Upon expiration of a design patent, can one copy and use that which may also be covered by copyright? What takes precedence -- copyright protection or trademark or unfair competition protection?

The federal right to copy and to use is not unlimited. For instance, can it be argued that a drug covered by an expired patent can be used in violation of FDA regulations? There has never been an unfettered right to copy and to use. It can only be said that after the expiration of a patent, the patent laws will not prevent such copying or use.

Under the power granted to the Congress in Art. I, Sec. 8, Cl. 8, of the Constitution, Congress has enacted the copyright statute (Title 17) and the patent statute (Title 35). Under Art. I, Sec. 8, Cl. 3, Congress enacted the trademark statute (Title 15). There are areas of overlap which

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* The Supreme Court has held that there is an area of overlapping statutory subject matter between copyrights and design patents. Mazer v. Stein, 347 U.S. 201, 217 (1954).

Congress, through its legislation, has understood the Constitution as permitting. *Application of Yardley*, 493 F.2d 1389, 1395-96 (CCPA 1974) (discussing the subject matter of a copyright and design patent). The Court of Customs and Patent Appeals did not think the Constitutional provisions required an election between these forms of protection. Id. Therefore, there is no justification for requiring an election between protection under Title 35 (patents) and Title 15 (§ 1125(a) - unfair competition).

4. Patent And Trademark Rights Can Coexist Without Conflict

More than 30 years ago, the Court of Customs and Patent Appeals explained in *In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (CCPA 1964), that

> "[trademark rights] exist independently of [the patent monopoly], under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the patent monopoly ends, it ends. The trademark rights do not extend it."

No attempt is made by Vornado in this civil action to extend or modify patent protection. Rather, Vornado simply seeks to prevent the copying of certain trade dress to avoid confusion of the public.

5. Protection Of The Public Is A Worthy Goal

Ignored by Duracraft in its tortuous attempt to convert this action into a patent case and also ignored by the Tenth Circuit is the fact that the public is the loser under the

Tenth Circuit Vornado decision. There is no challenge to the findings of actual confusion and likelihood of confusion. How should the public, therefore, avoid confusion? Certainly, confusion will not be avoided by inquiring whether the element causing confusion is a significant inventive aspect of some invention.

CONCLUSION

For the reasons set forth, Vornado respectfully petitions this Court for a writ of certiorari to review the judgment of the Tenth Circuit.

Respectfully submitted,

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